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DE RUEHLGB #0414 1650941
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FM AMEMBASSY KIGALI
TO RUEHC/SECSTATE WASHDC PRIORITY 5382
INFO RUEHBS/AMEMBASSY BRUSSELS 0239
RUEHJB/AMEMBASSY BUJUMBURA 0327
RUEHDR/AMEMBASSY DAR ES SALAAM 1142
RUEHKM/AMEMBASSY KAMPALA 1910
RUEHKI/AMEMBASSY KINSHASA 0462
RUEHLO/AMEMBASSY LONDON 0245
RUEHNR/AMEMBASSY NAIROBI 1238
RUEHFR/AMEMBASSY PARIS 0506

UNCLAS KIGALI 000414

SENSITIVE
SIPDIS

DEPT FOR USTDA A. LUPO, OPIC J.SIMON

E.O. 12958: N/A

TAGS: [ECON](#) [EAID](#) [ETRD](#) [PREL](#) [PGOV](#) [RW](#)

SUBJECT: RWANDA AND OPIC - PROJECTS AVAILABLE, OBSTACLES
REMAIN

11. (U) Overseas Private Investment Corporation (OPIC) Executive Vice President John Simon met with Government of Rwanda (GOR) officials, members of the private sector, and potential project partners during a visit to Rwanda June 4 and 5. In these discussions, Simon described to receptive audiences the financial products and services OPIC can provide to projects with U.S. investment capital, as well as current and potential OPIC-supported projects in Rwanda.

12. (SBU) Over the course of several meetings, GOR ministers and other officials from the Ministries of Infrastructure, Investment and Industry, Finance, Agriculture, and Natural Resources as well as the Rwandan Import and Export Promotion Authority (RIEPA) expressed interest in attracting US investors to Rwanda and in taking advantage of OPIC's services. Officials cited housing, agriculture and forestry, railway transport, and energy as priority sectors and welcomed the prospect of OPIC providing support for projects with U.S. investor involvement. One of these, a Burlington Northern/Santa Fe (BNSF) railway project that would link Isaka, Tanzania to Kigali, Rwanda, is under consideration to receive up to USD \$250 million in financing from OPIC. Minister of Infrastructure Linda Bahire provided information on the status of a feasibility study undertaken by Deutsche Bank (DB) for the railway. Separately, Simon noted that USTDA is also conducting a major study on railway infrastructure in the region that will supplement the DB study and address some issues missing from it. He emphasized the need for coordination of efforts on the expansive regional project whose cost is projected at USD \$1 billion.

13. (SBU) GOR officials said resource constraints and an underdeveloped local business culture created challenges for their economic growth efforts, and for some potential OPIC projects in particular. For example, Minister of Agriculture Christopher Bazivamo expressed doubt that the GOR could provide an advance of USD \$2 million to a bamboo forestry initiative that is seeking OPIC financing, although the ministry had previously shown interest in pursuing the partnership. Other potential OPIC-support recipients noted difficulties they encountered due to regulatory and capacity gaps within the GOR. An individual working on housing financing shared his frustration with the lack of land titles and other documentation necessary for establishing systems of collateral and with an absence of government policy on and understanding of liens.

14. (SBU) Comment: OPIC has a long history of working in Rwanda and GOR officials seem very keen on its continued

presence in the country. Without sufficient U.S. investor interest, regulatory progress, and in the case of the bamboo initiative, GOR financial backing, however, the GOR will have difficulty taking full advantage of OPIC assistance. End comment.

15. (U) Vice President Simon did not clear this message.

ARIETTI